MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2017 / 2018

DBL5028 – COMPANY LAW

(For Diploma Students Only)

05 JUNE 2018
2.30 p.m. – 4.30 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **3** pages with 4 questions.
2. Answer all questions.
3. You are required to cite provisions and case laws where relevant.
4. Write all your answers in the Answer Booklet provided.

QUESTION 1

a) Alan and Alang are the managing directors of Ali Baba Sdn. Bhd. Explain the time lapse in preparing financial statements based on Section 248 (1) of Companies Act 2016.

(3 marks)

b) List down the contents of the auditors' report as stated under Section 266 (2) (a) of Companies Act 2016.

(5 marks)

c) On January 2018, Mr Jock was appointed as an auditor for a company called Fast Forward Sdn. Bhd. One month later, Mrs. Amy, one of the directors of Fast Forward Sdn. Bhd. told Mr. Jock that his service was no longer needed and she will replace him with new auditor immediately.

Advise Mr. Jock whether his immediate removal as company auditor was applicable under Companies Act 2016.

(10 marks)

d) Briefly discuss **TWO (2)** obligations of auditor under Companies Act 2016.

(7 marks)

[Total: 25 Marks]

QUESTION 2

a) The court will lift the corporate veil when justice of the case so requires. Briefly discuss the following judicial exceptions:

i. Perpetration of Fraud

(2 marks)

ii. Evasion of Legal Obligation

(2 marks)

iii. Enemy in Times of War

(4 marks)

iv. Tax Avoidance

(2 marks)

Continued...

b) Versatile Sdn. Bhd. is a private company located in Melaka. Recently, one of the shareholders intended to sell his shares to Farouk who works as administration officer in the same company. Farouk agreed to purchase the shares but he claimed that he doesn't have enough money to purchase those shares. Thus, the others shareholders have agreed to provide financial assistance to him by using the company's money.

Advise whether the shareholders of the company are liable when they provide financial assistance to Farouk using the company's money to purchase their own shares.

(15 marks)

[Total: 25 Marks]

QUESTION 3

a) The process by which a company is dissolved is known as winding up.

i. Explain voluntary winding up by referring to Companies Act 2016.

(8 marks)

ii. Discuss the procedures for members' voluntary winding up.

(10 marks)

b) Briefly explain on how compulsory winding up by the court initiated.

(3 marks)

c) List any **TWO (2)** grounds for winding up under Section 465 of Companies Act 2016.

(4 marks)

[Total: 25 Marks]

QUESTION 4

a) Companies Act 2016 has come into force in 31 January 2017. With reference to the Companies Act 2016, explain the procedure to form a company.

(15 marks)

Continued...

b) Companies Act 2016 provides various types of company in Malaysia. Define the following:

i. Company Limited by Shares

(2 marks)

ii. Company Limited by Guarantee

(2 marks)

iii. Unlimited Company

(2 marks)

iv. Related Corporation

(4 marks)

[Total : 25 Marks]

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